

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

Producers 88 (4-89) — Paid Up  
With 640 Acres Pooling Provision  
STANDARD LEASE v.5

**PAID UP OIL AND GAS LEASE  
(No Surface Use)**

THIS LEASE AGREEMENT is made this 21st day of May, 2008, by and between

**DDRE McDonald Family Limited Partnership** as Lessor (whether one or more), whose address is

**PO Box 33728 Fort Worth, TX 76162-3728**

and **DALE PROPERTY SERVICES L.L.C. 2100 Ross Ave Suite 1870 Dallas, Texas, 75201**, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

**.200 acres, more or less, being Lot 12R, Block 4, COOK HEIGHTS ADDITION, an addition to the City of White Settlement, more particularly described by the metes and bounds in that certain Plat Map recorded in Cabinet B, Page 292 of the Plat Records, Tarrant County, Texas. (7608/7610 Downe);**

in the County of Tarrant, State of TEXAS, containing .200 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of 3 years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be 25% of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be 25% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in at lessor's address above or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. Except as provided for in Paragraph 3. above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of

Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

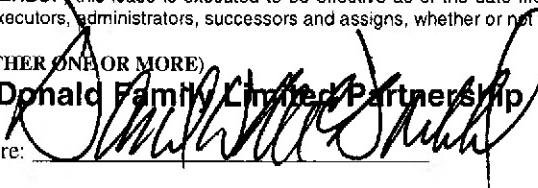
17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.  
**DISCLAIMER OF REPRESENTATIONS:** Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

See "Exhibit A" attached hereto and by reference made a part hereof.

**IN WITNESS WHEREOF,** this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

**LESSOR (WHETHER ONE OR MORE)**

**DDRE McDonald Family Limited Partnership**

Signature: 

Printed Name: Daniel W. McDonald, General Partner

Signature: \_\_\_\_\_

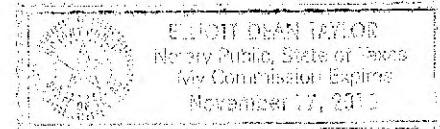
Printed Name: \_\_\_\_\_

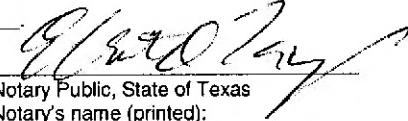
**ACKNOWLEDGMENT**

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 22nd day of May, 2008, by

Daniel W. McDonald



  
Notary Public, State of Texas  
Notary's name (printed):

Notary's commission expires:

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by

Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

**Exhibit "A"**

**ATTACHED TO AND MADE PART OF THAT CERTAIN PAID UP OIL AND GAS DATED MAY 21, 2008 BETWEEN  
DDRE MCDONALD FAMILY LIMITED PARTNERSHIP, AS LESSOR, AND DALE PROPERTY SERVICES, L.L.C., AS  
LESSEE**

**18. Agreements Supersede**

The provision of Exhibit "A" supersede any provision to the contrary contained in the lease to which the Exhibit is attached.

**19. Oil and Gas Only**

Notwithstanding any other provision of this lease, this lease covers and includes oil and gas only (including with oil and gas, all constituent elements thereof and all other liquefiable hydrocarbons and products of every kind or character derived there from and produced therewith from the well ore, including sulphur), and that all minerals other than oil and gas are excepted from this lease and reserved by Lessor. Solid minerals, such as iron, coal, sand, gravel, clay, uranium, and sulphur (apart from sulphur produced through the well bore) are excluded from this lease.

**20. Royalty**

Payments of royalties to Lessor shall be based on sales of Leased Substances to unrelated third parties at prices arrived at through arms length negotiations. Royalties to Lessor on Leases Substances not sold in an arms length transaction shall be determined based on prevailing values at the time in the area. Lessee shall have the obligation to disclose to Lessor (upon written request by Lessor) any information pertinent to this determination. The royalty payable to Lessor from the leased land shall be twenty-five percent (25%) of the sale of the Leased Substances and shall be payable within sixty days (60) from the end of the month of sale. The amount of royalty payable to Lessor because of production of Leased Substances shall not be reduced by any part of the expenses of treatment, compression, or transportation from the wellhead to the point of first arms length sale.

**21. Shut-In Royalty**

The shut-in royalty payment of the lease shall be \$10.00 per acre, rather than \$1.00 per acre. It is expressly agreed and understood that after expiration of the primary term of the lease, the lease may not be maintained in force solely by the payment of the shut-in royalties for any period in excess of one (1) year. However, the lease may be maintained in force and effect by payment of the shut-in royalty if Lessee is engaged in operations to complete pipeline or poplins to any well or wells used for producing oil or gas from below the leased premises, provided such operations are diligently prosecuted to completion, but in any event not later than two (2) years after completion of drilling of such well or wells.

**22. Pooling**

Notwithstanding the provisions of Paragraph 6 of the lease, if Lessee shall pool all or part of leased premises, any unit so formed shall not exceed 320 acres unless it is stipulated/required by the Texas Railroad Commission or otherwise agreed in writing by Lessor.

**23. Breach of Lease by Lessee**

The last sentence of Paragraph 11 of the printed lease form is deleted.

"Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted."

**24. No Transportation of Gas**

Since the lease prohibits any surface operations by Lessee, Lessee shall not transport gas of third party or gas produced below the leased premises across the leased premises without a separate written right of way agreement signed by Lessor. Additionally, the Force Major clause in Paragraph 11 is limited to one (1) year.

**25. No Use of Surface or Water**

Paragraph 16 of this lease is modified to read as follows:

Notwithstanding any other provision of this lease, Lessee shall not enter upon or use any of the leased premises for drilling on the surface or for any other surface or near surface operations such as (but not limited to) storing any equipment materials, or supplies related to drilling operations or pipelines, or for any staging, housing, or transportation of personnel. Any subsurface drilling or operations by Lessee shall in no manner interfere with the surface or subsurface support of any improvements constructed or to be constructed on the Property. Lessee shall not use any water located on or beneath the surface of the leased premises for drilling, water injection, secondary recovery, or other operations.

As part of the consideration for Lessors execution of this Lease, Lessee represents and warrants that, prior to the execution of this Lease, Lessee has secured drill sites on nearby property that will allow Lessee to conduct subsurface drilling and operations below the surface of the leased premises.

**26. Legal Compliance**

Lessee shall conduct all operations under this lease in accordance with all rules and regulations of the Railroad Commission of Texas and the City of Fort Worth, and Lessee shall strictly observe and comply with all local, state, and federal environmental laws and regulations with its operations below or relating to the leased premises.

27. Indemnity

Lessee agrees to indemnify, protect and hold Lessor (and surface owner, if different from Lessor) harmless of and from any and all claims, demands, costs, (including but not limited to reasonable attorney and expert fees) expenses, damages, losses, causes of action or suits for damages arising out of injury to persons (including death) and injury or damage to or loss of any property or improvements caused by Lessee, its agents, employees, servants, contractors or any person acting under its direction or control. Further, Lessor shall never be liable for any claims, demands, costs, expenses, damages, losses, causes of action or suits for damages because of injury to persons or property arising out of the negligence, gross negligence, negligence per se, strict liability or any other acts or omissions of Lessee, its agents, employees, servants, contractors or any person acting under its direction and control on the lands. Prior to the commencement of any operations on the leased land, and annually thereafter, Lessee shall purchase liability insurance and shall cause Lessee's insurance provider to furnish a certificate stating that there is in force a liability insurance policy in a sufficient amount to cover the potential liabilities under this lease. Any insurance requirements may be met by a combination of self-insurance, primary, and excess policies.

28. No Warranty of Title

Paragraph 15 of the printed lease form is deleted.  
Lessor does not expressly, impliedly or otherwise WARRANT title to the mineral rights under said land. Lessee accepts this Lease on an "AS IS" "WHERE IS" and "WITH ALL FAULTS" basis and without any representations or warranties as to merchantability or fitness for a particular purpose.

29. Primary Term

Paragraph 2 of the printed lease form is modified to following: This is paid up lease and subject to the other provisions herein contained this should be a term of three (3) years from the date (called "primary term") and as long thereafter as oil or gas is produced in paying quantities from said land or land with which said land is pooled hereunder.

30. Environmental Compliance

Lessee shall install and maintain all equipment and conduct all operations in an environmentally sound manner, in accordance with all applicable regulations of the Railroad Commission of Texas, the Texas Natural Resources Conservation Commission (or successor), the Environmental Protection Agency and any other governmental authorities with jurisdiction over the operations covered under this Lease. Lessee shall not use, store or dispose of any hazardous materials on the leased premises, except to the extent use of such substance is contemporaneously required for actual oil or gas operations on said lands, and any such substances shall be used, stored and disposed of in a safe manner, in compliance with all applicable governmental regulations. In no event shall any hazardous waste be stored and disposed of on the leased premises in a manner which could cause such lands to be classified as a hazardous waste storage or disposal facility. Lessee shall insure that all contractors comply with the terms of this paragraph. In the event Lessee is notified of any discharge or release of a hazardous substance or any other environmentally harmful or dangerous conditions on said lands resulting from Lessee's operations, Lessee shall promptly take all actions required to correct such hazardous, and dangerous or harmful conditions in accordance with applicable law and regulations and sound engineering practices. Lessor shall have no responsibility to inspect or oversee Lessee's operations or to identify or correct any potential harmful, dangerous or damaging conditions resulting from Lessee's operations, and Lessor shall have no right to control any details of Lessee's operations, nor to designate or control Lessee's contractors. Neither Lessee nor any contractors shall have any right of contribution or indemnity from Lessor for any matters resulting from Lessee's operations on the leased premises or conditions on the leased premises or conditions on the leased premises resulting from Lessee's operations on the leased premises. Lessee indemnifies and holds Lessor harmless from any and all costs, expenses and liabilities Lessor might incur relating to any harmful, damaging or dangerous conditions caused by and resulting from Lessee's operations hereunder, the release or discharge by Lessee of any hazardous substance in connection with Lessee's operations hereunder, or any other breach of the terms of this paragraph.

31. Confidentiality of Social Security and Driver's License Information

Lessee agrees to keep all social security and driver's license information of Lessor confidential. Lessor shall not disclose such information to any third party (other than the appropriate taxing authority) without express written authorization and permission of Lessor.

32. Binding Effect

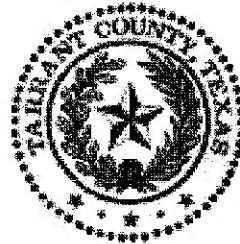
This lease shall be binding on the parties hereto and their successors, heirs, and legal representatives.

Lessor:

By: \_\_\_\_\_

Title: General Partner

Printed Name: Daniel W. McDonald



DALE RESOURCES LLC  
2100 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

---

SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 06/02/2008 10:33 AM  
Instrument #: D208203911  
LSE 5 PGS \$28.00

By: \_\_\_\_\_



**D208203911**

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE  
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR  
RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Printed by: CN